ModernGraham Valuation

Company Name:

Company Ticker MAS Date of Analysis Masco Corp

1/16/2017



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1.	Adequate Size of the Enterprise	Market Cap > \$2Bil	\$10,522,239,741	Pass
2.	Sufficiently Strong Financial Condition	Current Ratio > 2	2.07	Pass
3.	Earnings Stability	Positive EPS for 10 years prior		Fail
4.	Dividend Record	Dividend Payments for 10 years prior		Pass
5.	Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-876.19%	Fail
6.	Moderate PEmg Ratio	PEmg < 20	24.11	Fail
7.	Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	-107.60	Fail
Enterprising Investor; mus	st pass 4 out of the following 5 tests, or be s	uitable for the Defensive Investor.		
1.	Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.07	Pass
2.	Sufficiently Strong Financial Condition	Debt to NCA < 1.1	1.86	Fail
3.	Earnings Stability	Positive EPS for 5 years prior		Fail
4.	Dividend Record	Currently Pays Dividend		Pass
5.	Earnings Growth	EPSmg greater than 5 years ago		Pass
		Score		

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

	EPSmg		\$1.33
	MG Growth Estimate		15.00%
	MG Value		\$51.18
	MG Value based on 3% Growth		\$19.28
	MG Value based on 0% Growth		\$11.30
	Market Implied Growth Rate		7.80%
MG Opinion			
	Current Price		\$32.05
	% of Intrinsic Value		62.62%
	Opinion	Undervalued	
	MG Grade	C-	

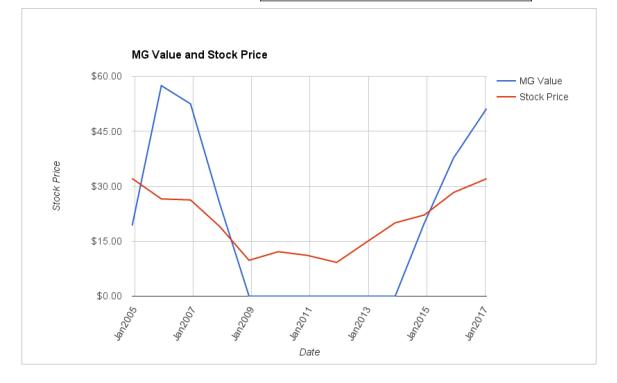
Stage 3: Information for Further Research

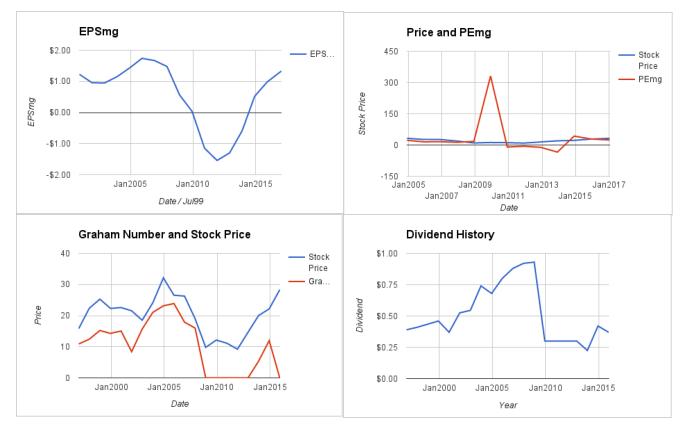
Net Current Asset Value (NCAV)	-\$7.14
Graham Number	\$0.00
PEmg	24.11
Current Ratio	2.07
PB Ratio	-107.60
Current Dividend	\$0.47
Dividend Yield	1.47%
Number of Consecutive Years of Dividend	
Growth	1

Useful Links:

ModernGraham tagged articles Google Finance Yahoo Finance GuruFocus Morningstar MSN Money Seeking Alpha SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$1.49	Next Fiscal Year Estimate	\$1.33
Dec2015	\$1.02	Dec2015	\$0.9
Dec2014	\$2.38	Dec2014	\$0.5
Dec2013	\$0.80	Dec2013	-\$0.5
Dec2012	-\$0.33	Dec2012	-\$1.3
Dec2011	-\$1.66	Dec2011	-\$1.5
Dec2010	-\$3.00	Dec2010	-\$1.1
Dec2009	-\$0.53	Dec2009	\$0.04
Dec2008	-\$1.13	Dec2008	\$0.5
Dec2007	\$1.03	Dec2007	\$1.4
Dec2006	\$1.22	Dec2006	\$1.6
Dec2005	\$2.19	Dec2005	\$1.7
Dec2004	\$1.96	Dec2004	\$1.4
Dec2003	\$1.65	Dec2003	\$1.1
Dec2002	\$1.01	Dec2002	\$0.9
Dec2001	\$0.35	Dec2001	\$0.9
Dec2000	\$1.31	Dec2000	\$1.2
Dec1999	\$1.28	Balance Sheet Information	9/1/201
Dec1998	\$1.26	Total Current Assets	\$3,122,000,00
Dec1997	\$1.02	Total Current Liabilities	\$1,511,000,00
Dec1996	\$0.92	Long-Term Debt	\$2,993,000,00
		Total Assets	\$5,373,000,00
		Intangible Assets	\$996,000,00
		Total Liabilities	\$5,471,000,00
		Shares Outstanding (Diluted Average)	329,000,00





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor. The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other	Masco Corporation Analysis – September 2015 Update \$MAS
ModernGraham posts about the company	Masco Corporation Annual Valuation – 2015 \$MAS
	14 Companies in the Spotlight This Week - 4/12/14
	Masco Corporation (MAS) Annual Valuation – 2014

Other ModernGraham posts about related companies	Quanta Services Inc Valuation – August 2016 \$PWR	
	Jacobs Engineering Group Inc Valuation – August 2016 \$JEC	
	PPG Industries Inc Valuation – August 2016 \$PPG	
	D.R. Horton Inc Valuation – August 2016 \$DHI	
	Martin Marietta Materials Inc Valuation – August 2016 \$MLM	
	Fluor Corporation Valuation – August 2016 \$FLR	
	Vulcan Materials Co Valuation – July 2016 \$VMC	
	PulteGroup Inc Valuation – July 2016 \$PHM	
	Sherwin-Williams Co Valuation – July 2016 \$SHW	
	Cummins Inc Valuation – July 2016 \$CMI	